

Message Text

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TO AMEMBASSY BONN

AMEMBASSY PARIS

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AMEMBASSY LONDON

C O N F I D E N T I A L STATE 182648

E.O. 11652: GDS

TAGS:ESTC, COCOM

SUBJECT: COCOM: REVISED COMPUTER CONTROL LEVELS

SUMMARY: AFTER THREE NEGOTIATING ROUNDS, COCOM HAS REACHED SUBSTANTIAL AGREEMENT ON NEW CONTROL LEVELS FOR COMPUTERS. ONLY SIGNIFICANT OUTSTANDING ISSUES CONCERN RIGHT OF ACCESS BY WESTERN REPRESENTATIVES TO LARGER COMPUTERS, AND MONTHLY VISITATION OF COMPUTERS EQUIPPED WITH ADVANCED MEMORY SYSTEMS. FRG, WITH SUPPORT FROM FRENCH, IS HOLDING OUT ON THESE POINTS. THIS MESSAGE REQUESTS BILATERAL APPROACHES TO FRG AND FRENCH TO URGE ACCEPTANCE OF COMPROMISE SOLUTION AGREED TO BY OTHER COCOM MEMBERS. END SUMMARY.

1. OVER PAST YEAR, WE HAVE BEEN ENGAGED IN INTENSIVE EFFORT TO BRING COCOM COMPUTER CONTROLS UP TO DATE FROM 1968 LEVELS
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STILL IN FORCE. THREE NEGOTIATING SESSIONS HAVE BEEN HELD AT PARIS, THE LAST OF WHICH ENDED JULY 4. US PROPOSAL TABLED IN COCOM SEPT 1974 ORIGINATED FROM COMPREHENSIVE REVIEW OF COMPUTER PROBLEM IN 1973-74 WHICH CULMINATED IN

A PRESIDENTIAL POLICY DECISION OF MARCH 1974.

2. ALL MAJOR ISSUES HAVE NOW BEEN RESOLVED IN COCOM AND WE ARE AIMING FOR FINAL ADOPTION OF NEW CONTROL LEVELS AFTER DRAFT DEFINITION AND RECORDS OF DISCUSSION HAVE BEEN REVIEWED IN CAPITALS, PROBABLY BY EARLY SEPTEMBER. HOWEVER, POSSIBILITY OF ACHIEVING THIS JEOPARDIZED BY HOLD-OUT OF GERMANS AND FRENCH ON SAFEGUARD CONDITIONS FOR LARGER COMPUTER SYSTEMS, SPECIFICALLY RIGHT OF ACCESS AND VISITATION.

3. RIGHT OF ACCESS: UNDER NOTE 5(D)(III) OF US PROPOSAL, LARGER COMPUTERS, (THOSE HAVING A PROCESSING DATA RATE (PDR) BETWEEN 14 AND 32 MILLION BITS PER SECOND) WOULD BE EXPORTABLE IF, INTER ALIA, THE FOLLOWING CONDITION IS MET:

"RESPONSIBLE WESTERN REPRESENTATIVES OF THE SUPPLIER WILL HAVE THE RIGHT OF ACCESS TO THE COMPUTER FACILITY AND ALL EQUIPMENT WHEREVER LOCATED DURING NORMAL WORKING HOURS OR ANY TIME THE COMPUTERS ARE OPERATING AND WILL BE FURNISHED INFORMATION DEMONSTRATING CONTINUED AUTHORIZED APPLICATION OF THE EQUIPMENT."

4. NOT ENTIRELY CLEAR WHETHER FRG OPPOSES REQUIREMENT FOR ACCESS OR OPPOSES ONLY ACCESS WITHOUT TIME LIMIT. IN LAST MEETING SAID THEY ARE "OPEN-MINDED" IF ACCESS LIMITED TO 5-6 YEARS. US POSITION IS (A) WE PREFER NOT TO STIPULATE TIME LIMIT WHICH WOULD MEAN IN THEORY ACCESS COULD BE EXERCISED AT ANY TIME UNLESS COCOM COMPUTER CONTROL LEVELS MODIFIED; (B) WE COULD ALSO ACCEPT ACCESS LIMITED FOR PERIOD COMPUTER BEING VISITED OR SPARE PARTS GUARANTEED, WHICHEVER LONGER. THUS, IF VISITATION IS TO CONTINUE FOR 6 YEARS AND SPARES GUARANTEED 10 YEARS, ACCESS WOULD BE FOR 10.

5. VISITATION: UNDER NOTE 5(E)(III) OF US PROPOSAL, CONFIDENTIAL

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COMPUTERS EQUIPPED WITH MORE ADVANCED PERIPHERAL MEMORY SYSTEMS (DISK DRIVES) OF IBM 3330-TYPE WOULD BE SUBJECT TO FOLLOWING:

"THE SUPPLIER HAS AGREED TO HAVE A RESPONSIBLE WESTERN REPRESENTATIVE VISIT AND INSPECT THE COMPUTER FACILITY AND ALL EQUIPMENT WHEREVER LOCATED AT LEAST MONTHLY FOR THREE YEARS AND QUARTERLY FOR THREE YEARS THEREAFTER AND REPORT TO THE LICENSING AUTHORITIES WHETHER THE COMPUTER IS STILL BEING USED FOR THE APPROVED PURPOSES AT THE AUTHORIZED LOCATION.

6. FRG, SUPPORTED BY FRANCE, ONLY PREPARED TO ACCEPT

VISITATION FOR THREE YEARS QUARTERLY, FOLLOWED BY THREE YEARS SEMI-ANNUALLY. GERMANS CITE POLITICAL REASONS FOR THIS, I.E. IN VIEW OF THEIR BILATERAL COMMITMENTS TO SOVIETS TO WORK FOR EASING TRADE RESTRICTIONS, THEY ARE RELUCTANT TO IMPOSE ADDED MONITORING CONDITIONS.

7. FOR BONN: REQUEST THAT YOU RAISE FOREGOING ISSUES

WITH APPROPRIATE FRG OFFICIALS. FOLLOWING POINTS MAY BE STRESSED:

A. COMPREHENSIVE AND OTHERWISE SUCCESSFUL EFFORT TO LIBERALIZE COCOM CONTROL LEVELS IS STYMIED BY US-FRG FAILURE TO AGREE ON THESE FINAL DETAILS.

B. US-PROPOSED REVISION OF COMPUTER CONTROLS WAS SUBJECT OF PRESIDENTIAL DECISION. COCOM NEGOTIATIONS HAVE BEEN FOLLOWED BY CABINET-LEVEL COMMITTEE. US POSITIONS AT PARIS THUS REFLECTED HIGH LEVEL POLICY DETERMINATIONS.

C. ORIGINAL US PROPOSAL IN SEPTEMBER 1974 CONSTITUTED FAR-REACHING LIBERALIZATION OF COMPUTER CONTROLS. FOR EXAMPLE, UNDER PRESENT RULES COMPUTERS ABOVE PROCESSING DATA RATE (PDR) OF 8 MILLION BITS/SEC REQUIRE COCOM EXCEPTION. UNDER NEW RULES, COMPUTERS UP TO PDR OF 32 MILLION BITS/SEC WILL BE EXEMPT FROM COCOM EXCEPTION PROCEDURE IF SAFEGUARD CONDITIONS FULFILLED.

D. INITIAL US PROPOSAL OF SEPT 1974 CALLED FOR COMPUTERS CONFIDENTIAL

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BETWEEN PDR 20 AND 32 MILLION BITS TO BE VISITED MONTHLY FOR INDEFINITE PERIOD. PROPOSAL WOULD HAVE PERMITTED COMPUTER TO BE EQUIPPED WITH UP TO THREE 2314-TYPE DISK DRIVES, BUT NO 3330-TYPE. IN RESPONSE TO OBJECTIONS BY FRG AND OTHERS TO MONTHLY VISITATION, US AMENDED PROPOSAL TO REQUIRE VISITATION ONLY QUARTERLY FOR THESE LARGER COMPUTERS AND RAISED THE LIMIT ON EXTERNAL MEMORY TO FOUR 2314 DOUBLE-DENSITY DISK DRIVES. IN FURTHER EFFORT TO MEET OBJECTIONS OF FRG AND OTHERS, US ADDED A PROVISION TO PERMIT UP TO FOUR 3330-TYPE DISK DRIVES TO BE INCLUDED,

BUT WITH 3330 DRIVES THE COMPUTER WOULD BE SUBJECT TO MONTHLY VISITATION FOR THREE YEARS, FOLLOWED BY QUARTERLY VISITATION. DURING JULY 1975 ROUND, US FURTHER MODIFIED VISITATION REQUIREMENT FOR 3330'S TO THREE YEARS MONTHLY FOLLOWED BY THREE YEARS QUARTERLY. FRG WAS UNABLE TO ACCEPT, DESPITE THE SERIES OF ACCOMMODATIONS WE MADE.

E. OUR STRATEGIC CONCERNS OVER 3330'S HAVE BEEN FULLY SET OUT IN COCOM. USSR AND EASTERN EUROPE HAVE NOT BEEN ABLE TO PRODUCE COMPARABLE DRIVES OR EVEN EARLIER GENERATION 2314'S. THIS SERIOUSLY CONSTRAINS SOVIET USE

OF LARGE DATA BASE COMPUTERS FOR SUCH TASKS AS COMMAND AND CONTROL, INTELLIGENCE, CRYPTOANALYSIS AND LOGISTICS. IN VIEW OF POSITIONS OF FRG AND OTHER COCOM MEMBERS, WE HAVE ACCEDDED TO LIBERALIZATION OF 3330S BUT STILL FEEL THEY MUST BE EXPORTED ON SELECTIVE BASIS WITH SOME CONTROL TO REDUCE LIKELIHOOD OF DIVERSION. PURPOSE OF MONTHLY VISITATION DURING INITIAL PERIOD AFTER INSTALLATION IS

TO HELP INSURE THEY WILL BE USED FOR APPROVED PURPOSES.

F. US COMPUTER FIRMS HAVE AGREED TO MONTHLY VISITATION ON EXCEPTIONS CASES RECENTLY SUBMITTED TO COCOM WHICH INVOLVED 3330 DRIVES. THUS, THIS CONDITION IS NOT REGARDED AS IMPRACTICAL IN A COMMERCIAL SENSE.

G. WE UNDERSTAND FRG POLITICAL CONCERNS, BUT BELIEVE MONITORING CONDITIONS, WHICH CAN BE NEGOTIATED BY WESTERN FIRMS DIRECTLY WITH EASTERN GOVERNMENT, NEED NOT HAVE SIGNIFICANT POLITICAL OVERTONES. WE HAVE AVOIDED DIRECT CONFIDENTIAL

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CONTACTS WITH SOVIETS ON THIS SUBJECT, MAKING IT STRICTLY FIRMS' RESPONSIBILITY TO SECURE SATISFACTORY ARRANGEMENTS. SOVIETS HAVE PROVED HIGHLY COOPERATIVE, EVEN TO EXTENT OF FACILITATING DELIVERY OF MORE EXTENSIVE MONITORING DATA TO US EMBASSY MOSCOW IN CASE OF LARGEST US SYSTEMS. WE UNDERSTAND SIEMENS DOES NOT OBJECT TO WORKING OUT SAFEGUARD ARRANGEMENTS WITH SOVIET OFFICIALS.

8. FYI: WE HAVE SOME FLEXIBILITY ON FORMULA OF VISITATIONS MONTHLY FOR THREE YEARS, FOLLOWED BY QUARTERLY FOR THREE YEARS BUT WE FEEL THAT MONTHLY VISITATIONS FOR A SUBSTANTIAL PERIOD ARE JUSTIFIED GIVEN THE STRATEGIC POTENTIAL OF THESE ADVANCED DISK DRIVES. END FYI.

9. ON RIGHT OF ACCESS ISSUE, GERMAN POSITION AT JULY COCOM SESSION WAS AMBIGUOUS. EMBASSY SHOULD SEEK CLARIFICATION AS TO WHETHER THEY STILL OBJECT IN PRINCIPLE TO SECURING RIGHT OF ACCESS OR SIMPLY WANT TO LIMIT THIS RIGHT TO STIPULATED PERIOD OF TIME. WE BELIEVE IT SHOULD BE POSSIBLE TO FIND ACCEPTABLE FORMULA IF ISSUE IS ONLY ONE OF TIME PERIOD. EMBASSY SHOULD EXPLAIN HOWEVER OUR PREFERENCE FOR REFRAINING FROM DEFINING PARTICULAR TIME PERIOD. US COMPUTER FIRMS HAVE WITHOUT APPARENT DIFFICULTY SECURED LETTERS FROM SOVIET END-USERS PROMISING RIGHT OF ACCESS. IF, HOWEVER, FIRMS OBLIGED SOVIET SIGNATORY TO GUARANTEE ACCESS FOR SET PERIOD OF SIX OR TEN YEARS, THIS MIGHT PROVE TROUBLESOME.

10. HOPE EMBASSY CAN OBTAIN READING OF FRG ATTITUDE ON THESE POINTS. IF REMAINING DIFFERENCES APPEAR NEGOTIABLE, WE WOULD BE WILLING TO DISCUSS FURTHER THROUGH EMBASSY

BONN CHANNEL.

11. UK HAS REPORTEDLY APPROACHED FRG IN BONN TO URGE
LIFTING OF FRG RESERVES ON COMPUTER EMBARGO LEVEL. BONN
MAY WISH TO COORDINATE ITS ACTION WITH UK EMBASSY.

12. FRG COMPUTER NEGOTIATOR AT PARIS WAS GOYMANN OF TRADE

MINISTRY. EMBASSY SHOULD HOWEVER MAKE ITS APPROACH AT
APPROPRIATE POLICY LEVELS.

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13. FOR PARIS: OECD PARIS 17585 SUGGESTS RAISING WITH
FRENCH IN WASHINGTON BECAUSE IT IMPRUDENT TO GO OVER
FRENCH DEL'S HEAD, EVEN THOUGH SOME QUESTION WHETHER
THESE ISSUES HAVE BEEN REVIEWED BY QUAI. IN VIEW OF
UNFAMILIARITY OF FRENCH EMBASSY OFFICIALS WITH COCOM
ISSUES, FEAR APPROACH HERE WOULD HAVE MINIMAL IMPACT.
REQUEST US DEL COCOM AND EMBASSY PARIS RE-EXAMINE
UTILITY OF DIRECT REPRESENTATIONS TO GOF AND ADVISE. INGERSOLL

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